



**Dear Stakeholders, Partners, Community Leaders and Colleagues:**

As I said last week in my message and in our videoconference on Thursday, the 6.3 percent across-the-board spending reductions we announced would not be the end of budget reductions the Department will face in the short term. Given the revenue forecasts for the 2011-13 biennium, which begins July 1, 2011, the Governor's Office of Financial Management has asked all Executive Cabinet agencies to submit additional reductions totaling 10 percent (Details are now posted on the [DSHS Budget Web page](#)).

Unlike the 6.3 percent, the 10 percent reductions we have developed for the next biennium are not going into effect now. We, along with other agencies, will be working with OFM throughout the fall to refine the spending reduction options as the Governor's 2011-13 biennial budget proposal is developed. The Governor's budget proposal will be submitted to the Legislature in December for consideration during the 2011 legislative session, scheduled to begin January 10. The Legislature will adopt a budget for the 2011-13 biennium that we will begin to implement in July of 2011.

Beginning this week, OFM will start reviewing the spending reduction options submitted by all Cabinet agencies. This 10 percent reduction is *not* in addition to the 6.3 percent reductions. We carry forward into the biennial budget proposal many of the 6.3 percent reductions announced earlier this week, but the biennial budget process allows us to be more strategic in regard to our approach. It provides an opportunity to reinvest a portion of some of the reductions to help build stronger home- and community-based services. While these investments may be short-term in nature, these investments are intended to allow our community partners some flexibility and increased capacity to address expanded areas of social service needs in their communities.

We believe a thoughtful, strategic budget is one way we will bring to life our Framework for the Future. These reductions are not just about reducing, but about resetting in a sustainable way for our future. We must re-examine the work we do -- in light of the Governor's [eight budget development questions](#) and our Department-wide efforts to:

- strengthen and expand home- and-community-based service delivery systems
- provide integrated case management services to high-need/high-cost individuals and families
- control General Funds-State expenditures while preserving services for our most vulnerable citizens.

I welcome your comments and questions at [StakeholdersFeedback@dshs.wa.gov](mailto:StakeholdersFeedback@dshs.wa.gov).

Thank you for the great work you do every day and your leadership.

Susan N. Dreyfus, Secretary  
Department of Social and Health Services  
October 5, 2010